



General Assembly

February Session, 2008

***Raised Bill No. 709***

LCO No. 3499

\*03499\_\_\_\_\_FIN\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

***AN ACT INCREASING THE PROPERTY TAX CREDIT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (b) and (c) of section 12-704c of the general  
2 statutes are repealed and the following is substituted in lieu thereof  
3 (*Effective from passage and applicable to taxable years commencing on or after*  
4 *January 1, 2008*):

5 (b) The credit allowed under this section shall not exceed two  
6 hundred fifteen dollars for the taxable year commencing on or after  
7 January 1, 1997, and prior to January 1, 1998; for taxable years  
8 commencing on or after January 1, 1998, but prior to January 1, 1999,  
9 three hundred fifty dollars; for taxable years commencing on or after  
10 January 1, 1999, but prior to January 1, 2000, four hundred twenty-five  
11 dollars; for taxable years commencing on or after January 1, 2000, but  
12 prior to January 1, 2003, five hundred dollars; for taxable years  
13 commencing on or after January 1, 2003, three hundred fifty dollars;  
14 for taxable years commencing on or after January 1, 2005, but prior to  
15 January 1, 2006, three hundred fifty dollars; [and] for taxable years  
16 commencing on or after January 1, 2006, but prior to January 1, 2008,  
17 five hundred dollars; and for taxable years commencing on or after

18 January 1, 2008, one thousand dollars. In the case of any husband and  
19 wife who file a return under the federal income tax for such taxable  
20 year as married individuals filing a joint return, the credit allowed, in  
21 the aggregate, shall not exceed such amounts for each such taxable  
22 year.

23 (c) (1) (A) For taxable years commencing prior to January 1, 2000, in  
24 the case of any such taxpayer who files under the federal income tax  
25 for such taxable year as an unmarried individual whose Connecticut  
26 adjusted gross income exceeds fifty-two thousand five hundred  
27 dollars, the amount of the credit that exceeds one hundred dollars shall  
28 be reduced by ten per cent for each ten thousand dollars, or fraction  
29 thereof, by which the taxpayer's Connecticut adjusted gross income  
30 exceeds said amount.

31 (B) For taxable years commencing on or after January 1, 2000, but  
32 prior to January 1, 2001, in the case of any such taxpayer who files  
33 under the federal income tax for such taxable year as an unmarried  
34 individual whose Connecticut adjusted gross income exceeds fifty-  
35 three thousand five hundred dollars, the amount of the credit that  
36 exceeds one hundred dollars shall be reduced by ten per cent for each  
37 ten thousand dollars, or fraction thereof, by which the taxpayer's  
38 Connecticut adjusted gross income exceeds said amount.

39 (C) For taxable years commencing on or after January 1, 2001, but  
40 prior to January 1, 2004, in the case of any such taxpayer who files  
41 under the federal income tax for such taxable year as an unmarried  
42 individual whose Connecticut adjusted gross income exceeds fifty-four  
43 thousand five hundred dollars, the amount of the credit shall be  
44 reduced by ten per cent for each ten thousand dollars, or fraction  
45 thereof, by which the taxpayer's Connecticut adjusted gross income  
46 exceeds said amount.

47 (D) For taxable years commencing on or after January 1, 2004, but  
48 prior to January 1, 2007, in the case of any such taxpayer who files  
49 under the federal income tax for such taxable year as an unmarried

50 individual whose Connecticut adjusted gross income exceeds fifty-five  
51 thousand dollars, the amount of the credit shall be reduced by ten per  
52 cent for each ten thousand dollars, or fraction thereof, by which the  
53 taxpayer's Connecticut adjusted gross income exceeds said amount.

54 (E) For taxable years commencing on or after January 1, 2007, but  
55 prior to January 1, 2008, in the case of any such taxpayer who files  
56 under the federal income tax for such taxable year as an unmarried  
57 individual whose Connecticut adjusted gross income exceeds fifty-five  
58 thousand five hundred dollars, the amount of the credit shall be  
59 reduced by ten per cent for each ten thousand dollars, or fraction  
60 thereof, by which the taxpayer's Connecticut adjusted gross income  
61 exceeds said amount.

62 (F) For taxable years commencing on or after January 1, 2008, but  
63 prior to January 1, 2009, in the case of any such taxpayer who files  
64 under the federal income tax for such taxable year as an unmarried  
65 individual whose Connecticut adjusted gross income exceeds [fifty-six  
66 thousand five hundred] eighty-four thousand three hundred dollars,  
67 the amount of the credit shall be reduced by ten per cent for each ten  
68 thousand dollars, or fraction thereof, by which the taxpayer's  
69 Connecticut adjusted gross income exceeds said amount.

70 (G) For taxable years commencing on or after January 1, 2009, but  
71 prior to January 1, 2010, in the case of any such taxpayer who files  
72 under the federal income tax for such taxable year as an unmarried  
73 individual whose Connecticut adjusted gross income exceeds [fifty-  
74 eight thousand five hundred] eighty-seven thousand three hundred  
75 dollars, the amount of the credit shall be reduced by ten per cent for  
76 each ten thousand dollars, or fraction thereof, by which the taxpayer's  
77 Connecticut adjusted gross income exceeds said amount.

78 (H) For taxable years commencing on or after January 1, 2010, but  
79 prior to January 1, 2011, in the case of any such taxpayer who files  
80 under the federal income tax for such taxable year as an unmarried  
81 individual whose Connecticut adjusted gross income exceeds [sixty

82 thousand five hundred] ninety thousand three hundred dollars, the  
83 amount of the credit shall be reduced by ten per cent for each ten  
84 thousand dollars, or fraction thereof, by which the taxpayer's  
85 Connecticut adjusted gross income exceeds said amount.

86 (I) For taxable years commencing on or after January 1, 2011, but  
87 prior to January 1, 2012, in the case of any such taxpayer who files  
88 under the federal income tax for such taxable year as an unmarried  
89 individual whose Connecticut adjusted gross income exceeds  
90 [sixty-two thousand five hundred] ninety-three thousand three  
91 hundred dollars, the amount of the credit shall be reduced by ten per  
92 cent for each ten thousand dollars, or fraction thereof, by which the  
93 taxpayer's Connecticut adjusted gross income exceeds said amount.

94 (J) For taxable years commencing on or after January 1, 2012, in the  
95 case of any such taxpayer who files under the federal income tax for  
96 such taxable year as an unmarried individual whose Connecticut  
97 adjusted gross income exceeds [sixty-four thousand five hundred]  
98 ninety-six thousand three hundred dollars, the amount of the credit  
99 shall be reduced by ten per cent for each ten thousand dollars, or  
100 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
101 income exceeds said amount.

102 (2) In the case of any such taxpayer who files under the federal  
103 income tax for such taxable year as a married individual filing  
104 separately whose Connecticut adjusted gross income exceeds [fifty  
105 thousand two hundred fifty] seventy-five thousand dollars, the  
106 amount of the credit shall be reduced by ten per cent for each five  
107 thousand dollars, or fraction thereof, by which the taxpayer's  
108 Connecticut adjusted gross income exceeds said amount.

109 (3) In the case of a taxpayer who files under the federal income tax  
110 for such taxable year as a head of household whose Connecticut  
111 adjusted gross income exceeds [seventy-eight thousand five hundred]  
112 one hundred seventeen thousand dollars, the amount of the credit  
113 shall be reduced by ten per cent for each ten thousand dollars or

114 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
115 income exceeds said amount.

116 (4) In the case of a taxpayer who files under federal income tax for  
117 such taxable year as married individuals filing jointly whose  
118 Connecticut adjusted gross income exceeds [one hundred thousand  
119 five hundred] one hundred fifty thousand dollars, the amount of the  
120 credit shall be reduced by ten per cent for each ten thousand dollars, or  
121 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
122 income exceeds said amount.

123 Sec. 2. Subsection (a) of section 12-700 of the general statutes is  
124 repealed and the following is substituted in lieu thereof (*Effective from*  
125 *passage and applicable to taxable years commencing on or after January 1,*  
126 *2008*):

127 (a) There is hereby imposed on the Connecticut taxable income of  
128 each resident of this state a tax:

129 (1) At the rate of four and one-half per cent of such Connecticut  
130 taxable income for taxable years commencing on or after January 1,  
131 1992, and prior to January 1, 1996.

132 (2) For taxable years commencing on or after January 1, 1996, but  
133 prior to January 1, 1997, in accordance with the following schedule:

134 (A) For any person who files a return under the federal income tax  
135 for such taxable year as an unmarried individual or as a married  
136 individual filing separately:

T1	Connecticut Taxable Income	Rate of Tax
T2	Not over \$2,250	3.0%
T3	Over \$2,250	\$67.50, plus 4.5% of the
T4		excess over \$2,250

137 (B) For any person who files a return under the federal income tax  
138 for such taxable year as a head of household, as defined in Section 2(b)  
139 of the Internal Revenue Code:

T5	Connecticut Taxable Income	Rate of Tax
T6	Not over \$3,500	3.0%
T7	Over \$3,500	\$105.00, plus 4.5% of the
T8		excess over \$3,500

140 (C) For any husband and wife who file a return under the federal  
141 income tax for such taxable year as married individuals filing jointly or  
142 a person who files a return under the federal income tax as a surviving  
143 spouse, as defined in Section 2(a) of the Internal Revenue Code:

T9	Connecticut Taxable Income	Rate of Tax
T10	Not over \$4,500	3.0%
T11	Over \$4,500	\$135.00, plus 4.5% of the
T12		excess over \$4,500

144 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
145 Connecticut taxable income.

146 (3) For taxable years commencing on or after January 1, 1997, but  
147 prior to January 1, 1998, in accordance with the following schedule:

148 (A) For any person who files a return under the federal income tax  
149 for such taxable year as an unmarried individual or as a married  
150 individual filing separately:

T13	Connecticut Taxable Income	Rate of Tax
T14	Not over \$6,250	3.0%
T15	Over \$6,250	\$187.50, plus 4.5% of the
T16		excess over \$6,250

151 (B) For any person who files a return under the federal income tax  
152 for such taxable year as a head of household, as defined in Section 2(b)  
153 of the Internal Revenue Code:

T17	Connecticut Taxable Income	Rate of Tax
T18	Not over \$10,000	3.0%
T19	Over \$10,000	\$300.00, plus 4.5% of the
T20		excess over \$10,000

154 (C) For any husband and wife who file a return under the federal  
155 income tax for such taxable year as married individuals filing jointly or  
156 any person who files a return under the federal income tax for such  
157 taxable year as a surviving spouse, as defined in Section 2(a) of the  
158 Internal Revenue Code:

T21	Connecticut Taxable Income	Rate of Tax
T22	Not over \$12,500	3.0%
T23	Over \$12,500	\$375.00, plus 4.5% of the
T24		excess over \$12,500

159 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
160 Connecticut taxable income.

161 (4) For taxable years commencing on or after January 1, 1998, but

162 prior to January 1, 1999, in accordance with the following schedule:

163 (A) For any person who files a return under the federal income tax  
164 for such taxable year as an unmarried individual or as a married  
165 individual filing separately:

T25	Connecticut Taxable Income	Rate of Tax
T26	Not over \$7,500	3.0%
T27	Over \$7,500	\$225.00, plus 4.5% of the
T28		excess over \$7,500

166 (B) For any person who files a return under the federal income tax  
167 for such taxable year as a head of household, as defined in Section 2(b)  
168 of the Internal Revenue Code:

T29	Connecticut Taxable Income	Rate of Tax
T30	Not over \$12,000	3.0%
T31	Over \$12,000	\$360.00, plus 4.5% of the
T32		excess over \$12,000

169 (C) For any husband and wife who file a return under the federal  
170 income tax for such taxable year as married individuals filing jointly or  
171 any person who files a return under the federal income tax for such  
172 taxable year as a surviving spouse, as defined in Section 2(a) of the  
173 Internal Revenue Code:

T33	Connecticut Taxable Income	Rate of Tax
T34	Not over \$15,000	3.0%



T35	Over \$15,000	\$450.00, plus 4.5% of the
T36		excess over \$15,000

174 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
175 Connecticut taxable income.

(5) For taxable years commencing on or after January 1, 1999, but prior to January 1, 2003, in accordance with the following schedule:

178 (A) For any person who files a return under the federal income tax  
179 for such taxable year as an unmarried individual or as a married  
180 individual filing separately:

T37	Connecticut Taxable Income	Rate of Tax
T38	Not over \$10,000	3.0%
T39	Over \$10,000	\$300.00, plus 4.5% of the
T40		excess over \$10,000

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

T41	Connecticut Taxable Income	Rate of Tax
T42	Not over \$16,000	3.0%
T43	Over \$16,000	\$480.00, plus 4.5% of the
T44		excess over \$16,000

184 (C) For any husband and wife who file a return under the federal  
185 income tax for such taxable year as married individuals filing jointly or  
186 any person who files a return under the federal income tax for such

187 taxable year as a surviving spouse, as defined in Section 2(a) of the  
188 Internal Revenue Code:

T45	Connecticut Taxable Income	Rate of Tax
T46	Not over \$20,000	3.0%
T47	Over \$20,000	\$600.00, plus 4.5% of the
T48		excess over \$20,000

189 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
190 Connecticut taxable income.

191 (6) For taxable years commencing on or after January 1, 2003, but  
192 prior to January 1, 2008, in accordance with the following schedule:

193 (A) For any person who files a return under the federal income tax  
194 for such taxable year as an unmarried individual or as a married  
195 individual filing separately:

T49	Connecticut Taxable Income	Rate of Tax
T50	Not over \$10,000	3.0%
T51	Over \$10,000	\$300.00, plus 5.0% of the
T52		excess over \$10,000

196 (B) For any person who files a return under the federal income tax  
197 for such taxable year as a head of household, as defined in Section 2(b)  
198 of the Internal Revenue Code:

T53	Connecticut Taxable Income	Rate of Tax
-----	----------------------------	-------------

---

T54	Not over \$16,000	3.0%
T55	Over \$16,000	\$480.00, plus 5.0% of the
T56		excess over \$16,000

199 (C) For any husband and wife who file a return under the federal  
 200 income tax for such taxable year as married individuals filing jointly or  
 201 any person who files a return under the federal income tax for such  
 202 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 203 Internal Revenue Code:

T57	Connecticut Taxable Income	Rate of Tax
T58	Not over \$20,000	3.0%
T59	Over \$20,000	\$600.00, plus 5.0% of the
T60		excess over \$20,000

204 (D) For trusts or estates, the rate of tax shall be 5.0% of the  
 205 Connecticut taxable income.

206 (7) (A) For any person who files a return under the federal income  
 207 tax for such taxable year as an unmarried individual:

T61	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T62	<u>Not over \$10,000</u>	<u>3.0%</u>
T63	<u>Over \$10,000 but not over</u>	<u>\$300.00, plus 5.0% of the</u>
T64	<u>\$271,000</u>	<u>excess over \$10,000</u>
T65	<u>Over \$271,000 but not over</u>	<u>\$13,350, plus 5.50% of the</u>
T66	<u>\$542,000</u>	<u>excess over \$271,000</u>
T67	<u>Over \$542,000</u>	<u>\$28,255, plus 5.75% of the</u>
T68		<u>excess over \$542,000</u>

208 (B) For any person who files a return under the federal income tax  
 209 for such taxable year as a married individual filing separately:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
Not over \$10,000	3.0%
Over \$10,000 but not over \$250,000	\$300.00, plus 5.0% of the excess over \$10,000
Over \$250,000 but not over \$500,000	\$12,300, plus 5.50% of the excess over \$250,000
Over \$500,000	\$26,050, plus 5.75% of the excess over \$500,000

210 (C) For any person who files a return under the federal income tax  
 211 for such taxable year as a head of household, as defined in Section 2(b)  
 212 of the Internal Revenue Code:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
Not over \$16,000	3.0%
Over \$16,000 but not over \$396,000	\$480.00, plus 5.0% of the excess over \$16,000
Over \$396,000 but not over \$792,000	\$19,480, plus 5.50% of the excess over \$396,000
Over \$792,000	\$41,260, plus 5.75% of the excess over \$792,000

213 (D) For any husband and wife who file a return under the federal  
 214 income tax for such taxable year as married individuals filing jointly or  
 215 any person who files a return under the federal income tax for such  
 216 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 217 Internal Revenue Code:

T85	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T86	<u>Not over \$20,000</u>	<u>3.0%</u>
T87	<u>Over \$20,000 but not over</u>	<u>\$600.00, plus 5.0% of the</u>
T88	<u>\$500,000</u>	<u>excess over \$20,000</u>
T89	<u>Over \$500,000 but not over</u>	<u>\$24,600, plus 5.50% of the</u>
T90	<u>\$1,000,000</u>	<u>excess over \$500,000</u>
T91	<u>Over \$1,000,000</u>	<u>\$52,100, plus 5.75% of the</u>
T92		<u>excess over \$1,000,000</u>

218 (E) For trusts or estates, the rate of tax shall be 5.0% of the  
 219 Connecticut taxable income.

220 [(7)] (8) The provisions of this subsection shall apply to resident  
 221 trusts and estates and, wherever reference is made in this subsection to  
 222 residents of this state, such reference shall be construed to include  
 223 resident trusts and estates, provided any reference to a resident's  
 224 Connecticut adjusted gross income derived from sources without this  
 225 state or to a resident's Connecticut adjusted gross income shall be  
 226 construed, in the case of a resident trust or estate, to mean the resident  
 227 trust or estate's Connecticut taxable income derived from sources  
 228 without this state and the resident trust or estate's Connecticut taxable  
 229 income, respectively.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to taxable years commencing on or after January 1, 2008</i>	12-704c(b) and (c)
Sec. 2	<i>from passage and applicable to taxable years commencing on or after January 1, 2008</i>	12-700(a)

**Statement of Purpose:**

To increase the property tax credit.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*